

# ***City of McLouth***

## ***Financial Statement***

***For the year ended December 31, 2012***

*ATC Accounting*

City of McLouth, Kansas  
Financial Statement  
December 31, 2012

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## INDEPENDENT AUDITOR'S REPORT

Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

Honorable Mayor and City Council  
City of McLouth  
McLouth, Kansas 66054

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McLouth, Kansas, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of McLouth, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of McLouth, Kansas as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McLouth, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual, individual fund schedules of regulatory basis receipts and expenditures-actual (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 basic financial statement, however are required to be presented under the provision of the Kansas Municipal audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statement upon which we rendered as unqualified opinion dated June 30, 2012. The 2011 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note 1.

### *ATC Accounting*

ATC Accounting

August 12, 2013

City of McLouth, Kansas  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL	\$ 41,536	\$ 382,212	\$ 384,426	\$ 39,322	\$ 6,661	\$ 45,983
SPECIAL PURPOSE FUNDS:						
Law Enforcement	224	10,169	1,999	8,394	-	8,394
Fire Equipment	8,016	9,814	8,922	8,908	-	8,908
Library	-	22,359	22,359	-	-	-
Special Highway	16,392	22,743	39,080	55	-	55
BOND AND INTEREST FUND:						
Bond and Interest	184	13,257	11,911	1,530	-	1,530
CAPITAL PROJECT FUNDS:						
Capital Improvement	207,640	10,000	108,123	109,517	-	109,517
Equipment Reserve	12,914	16,200	2,200	26,914	-	26,914
BUSINESS FUNDS:						
Water Utility	104,311	264,281	260,070	108,522	3,271	111,793
Sewer Utility	235,588	188,693	178,467	245,814	304	246,118
Gas Utility	138,930	202,766	191,796	149,900	215	150,115
Total Reporting Entity	\$ 765,735	\$ 1,142,494	\$ 1,209,353	\$ 698,876	\$ 10,451	\$ 709,327

Checking Accounts	\$ 215,086
Money Market and Savings Accounts	252,176
Certificate of Deposits	242,065
Total Reporting Entity	<u>\$ 709,327</u>

The notes to the financial statement are an integral part of this statement

City of McLouth, Kansas  
Notes to the Financial Statements  
December 31, 2012

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Financial Reporting Entity

The City of McLouth is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of McLouth (the municipality).

The related municipal entity is not included in the City's reporting entity even though it was established to benefit the City and/or its constituents.

Library Board - The Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at their administrative offices.

### (b) Regulatory Basis Fund Types

**General fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose fund** – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Capital Project fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business fund** – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

**Trust fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency fund** – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

### (c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a©, waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

#### **(d) Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted from the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- 1) Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>
- 2) Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2012.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Compliance with Kansas Statutes**

The City is not aware of any non-compliance with Kansas Statutes.

## **3. DEPOSITS AND INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such an institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements;

and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutes to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$709,327 and the bank balance was \$755,925. The bank balance was held by 1 bank resulting in a concentration of credit risk. Of the bank balance \$250,000 was covered by federal depository insurance and the remaining \$505,925 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

#### 4. LONG-TERM DEBT

Changes in long-term liabilities for the City of McLouth, Kansas for the year ended December 31, 2012 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds: 2005 Issue	3.75% to 5.00%	6/1/2005	\$ 100,000	10/1/2015	\$ 40,000	\$ -	\$ 10,000	\$ 30,000	\$ 1,910
KDHE Loans:									
Water Improvements	4.31%	11/18/1997	1,132,133	02/1/2019	459,542	-	53,120	406,422	19,240
Sewer Improvements	3.57%	04/05/2000	1,702,238	09/1/2021	880,879	-	74,735	806,144	30,786
Total Contractual Indebtedness					<u>\$ 1,380,421</u>	<u>\$ -</u>	<u>\$ 137,855</u>	<u>\$ 1,242,566</u>	<u>\$ 51,936</u>

Current maturities of long-term debt and interest through maturity are as follows:

	2013	2014	2015	2016	2017	2018-2021	Total
Principal							
General Obligation Bonds	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 30,000
KDHE Loan – Water	55,434	57,849	60,370	62,999	65,744	104,026	406,422
KDHE Loan – Sewer	77,426	80,215	83,104	86,098	89,199	390,102	806,144
Total Principal	<u>142,860</u>	<u>148,064</u>	<u>153,474</u>	<u>149,097</u>	<u>154,943</u>	<u>494,128</u>	<u>1,242,566</u>
Interest:							
General Obligation Bonds	1,460	990	500	-	-	-	2,950
KDHE Loan – Water	16,926	14,511	11,991	9,361	6,616	4,515	63,920
KDHE Loan – Sewer	28,094	25,306	22,416	19,423	16,322	31,981	143,542
Total Interest	<u>46,480</u>	<u>40,807</u>	<u>34,907</u>	<u>28,784</u>	<u>22,938</u>	<u>36,496</u>	<u>210,412</u>
Total Principal and Interest	<u>\$ 189,340</u>	<u>\$ 188,871</u>	<u>\$ 188,381</u>	<u>\$ 177,881</u>	<u>\$ 177,881</u>	<u>\$ 530,624</u>	<u>\$ 1,452,978</u>

## **5. DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

**Funding Policy.** K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

The State of Kansas is required to contribute the statutory required employers share.

## **6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

### **(a) Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

### **(b) Compensated Absences**

An employee is given one day sick leave for each month of employment. A total of ninety days sick leave can be accumulated. Part-time employees and temporary employees are not entitled to sick leave unless agreed to by the City Council. No sick leave exceeding three consecutive days will be allowed unless a statement from a doctor certifies that the sickness prevented the employee from working. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

### **(c) Other Employee Benefits**

**Vacation** – A full-time employee may accrue vacation of 6.67 hours per month with 0 to 5 years of service, 8 hours per month with 6 to 10 years of service, 10 hours per month with 11 to 15 years of service and 12 hours per month with more than 15 years of service. The maximum amount of vacation available is three weeks per year. Vacation is vested, and terminating employees will be paid for vacation not taken. The cost of accumulated vacation leave is shown in Footnote 12 and will be recorded as an expenditure at the time the vacation is utilized, as normal personal service expenditure.

The cost of accumulated vacation leave is \$17,747 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave - Full-time employees may accrue sick leave at the rate of 1 day per month with a maximum accumulation of 90 days. Upon termination or resignation, no payment for unused sick leave will be made. The cost of accumulated sick pay has not been estimated or accrued by the City as of December 31, 2012 since no liability to pay upon termination.

**7. CLAIMS AND JUDGMENTS**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City’s management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

**8. INTERFUND TRANSFERS**

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Capital Improvements	K.S.A. 12-1,118	10,000
General	Equipment Reserve	K.S.A. 12-1,118	10,000

**9. SUBSEQUENT EVENTS**

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of the report which is the date at which the financial statement was available to be issued.

**CITY OF MCLOUTH, KANSAS**  
**REGULATORY-REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

City of McLouth, Kansas  
Summary of Expenditures – Actual and Budget  
Regulatory Basis  
(Budgeted Funds Only)  
For the Year Ended December 31, 2012

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 413,540	\$ -	\$ 413,540	\$ 384,426	\$ (29,114)
SPECIAL PURPOSE FUNDS:					
Law Enforcement	10,045	-	10,045	1,999	(8,046)
Fire Equipment	11,430	-	11,430	8,922	(2,508)
Library	23,110	-	23,110	22,359	(751)
Special Highway	39,080	-	39,080	39,080	-
BOND AND INTEREST FUND:					
Bond and Interest	13,700	-	13,700	11,911	(1,789)
BUSINESS FUNDS:					
Water Utility	264,386	-	264,386	260,070	(4,316)
Sewer Utility	435,594	-	435,594	178,467	(257,127)
Gas Utility	481,528	-	481,528	191,796	(289,732)

City of McLouth, Kansas  
General Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Ad Valorem Property	\$ 188,827	\$ 189,122	\$ 201,550	\$ (12,428)
Delinquent	4,740	10,157	4,000	6,157
Motor Vehicle	20,939	21,038	23,099	(2,061)
Recreational Vehicle	199	307	212	95
16/20M Truck	121	315	115	200
Alcohol	2,328	1,881	1,500	381
Franchise Fees	33,097	34,408	30,000	4,408
Sanitation	47,974	49,694	48,600	1,094
Sales Tax	41,523	41,667	35,000	6,667
Licenses, Fees and Permits	2,381	2,284	1,500	784
Intergovernmental	1,001	-	-	-
Municipal Court	27,781	27,941	20,000	7,941
Interest on Idle Funds	2,742	1,948	4,000	(2,052)
Miscellaneous	2,943	1,450	3,000	(1,550)
Total Receipts	376,596	382,212	\$ 372,576	\$ 9,636
Expenditures:				
Salaries and Wages	64,058	60,668	\$ 67,500	\$ (6,832)
Employee Benefits	15,869	15,829	18,600	(2,771)
Police Salaries and Wages	87,259	85,278	94,500	(9,222)
Police Employee Benefits	24,088	24,196	26,200	(2,004)
General Government	23,596	21,037	45,940	(24,903)
Legal/Contract/Administration	14,940	11,924	8,000	3,924
Sanitation	47,838	49,581	48,600	981
Streets	36,960	29,666	38,000	(8,334)
Police Operations and Maintenance	19,126	30,434	21,500	8,934
Fire Operations and Maintenance	5,998	10,142	7,000	3,142
Court	42,258	25,671	15,300	10,371
Capital Outlay	-	-	12,400	(12,400)
Transfers	20,000	20,000	10,000	10,000
Total Expenditures	401,990	384,426	\$ 413,540	\$ (29,114)
Receipts Over (Under) Expenditures	(25,394)	(2,214)		
Unencumbered Cash, January 1	66,930	41,536		
Unencumbered Cash, December 31	\$ 41,536	\$ 39,322		

City of McLouth, Kansas  
Law Enforcement Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 7,278	\$ 8,426	\$ 8,980	\$ (554)
Delinquent	280	399	150	249
Motor Vehicle	824	822	902	(80)
Recreational Vehicle	8	12	8	4
16/20M Truck	5	12	5	7
Miscellaneous	538	498	-	498
Total Receipts	8,933	10,169	\$ 10,045	\$ 124
Expenditures:				
Commodities	9,689	1,999	\$ 300	\$ 1,699
Capital Outlay	-	-	9,745	(9,745)
Total Expenditures	9,689	1,999	\$ 10,045	\$ (8,046)
Receipts Over (Under) Expenditures	(756)	8,170		
Unencumbered Cash, January 1	980	224		
Unencumbered Cash, December 31	\$ 224	\$ 8,394		

City of McLouth, Kansas  
 Fire Equipment Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011	2012		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 7,658	\$ 8,423	\$ 8,977	\$ (554)
Delinquent	345	473	150	323
Motor Vehicle	1,006	890	950	(60)
Recreational Vehicle	9	13	19	(6)
16/20M Truck	6	15	5	10
Miscellaneous	100	-	-	-
Total Receipts	9,124	9,814	\$ 10,101	\$ (287)
Expenditures:				
Public Safety	3,445	8,922	\$ 3,000	\$ 5,922
Capital Outlay	826	-	8,430	(8,430)
Total Expenditures	4,271	8,922	\$ 11,430	\$ (2,508)
Receipts Over (Under) Expenditures	4,853	892		
Unencumbered Cash, January 1	3,163	8,016		
Unencumbered Cash, December 31	\$ 8,016	\$ 8,908		

City of McLouth, Kansas  
Library Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 18,225	\$ 19,254	\$ 20,520	\$ (1,266)
Delinquent	694	987	300	687
Motor Vehicle	2,059	2,057	2,258	(201)
Recreational Vehicle	19	30	21	9
16/20M Truck	12	31	11	20
Total Receipts	21,009	22,359	\$ 23,110	\$ (751)
Expenditures:				
Recreation and Culture	21,342	22,359	\$ 23,110	\$ (751)
Receipts Over (Under) Expenditures	(333)	-		
Unencumbered Cash, January 1	333	-		
Unencumbered Cash, December 31	\$ -	\$ -		

City of McLouth, Kansas  
Special Highway Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Special Highway Tax	\$ 22,222	\$ 22,693	\$ 22,330	\$ 363
Miscellaneous	-	50	-	50
Total Receipts	22,222	22,743	\$ 22,330	\$ 413
Expenditures:				
Street Repair and Maintenance	35,336	39,080	\$ 39,080	\$ -
Receipts Over (Under) Expenditures	(13,114)	(16,337)		
Unencumbered Cash, January 1	29,506	16,392		
Unencumbered Cash, December 31	\$ 16,392	\$ 55		

City of McLouth, Kansas  
Bond and Interest Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		Variance Over (Under)
		Actual	Budget	
Receipts:				
Ad Valorem Property	\$ 9,623	\$ 11,627	\$ 12,391	\$ (764)
Delinquent	390	497	100	397
Motor Vehicle	1,135	1,101	1,192	(91)
Recreational Vehicle	11	16	11	5
16/20M Truck	6	17	6	11
Total Receipts	11,165	13,258	\$ 13,700	\$ (442)
Expenditures:				
Debt Service	12,351	11,911	\$ 12,400	\$ (489)
Cash Basis Reserve	-	-	1,300	(1,300)
Total Expenditures	12,351	11,911	\$ 13,700	\$ (1,789)
Receipts Over (Under) Expenditures	(1,186)	1,347		
Unencumbered Cash, January 1	1,370	184		
Unencumbered Cash, December 31	\$ 184	\$ 1,531		

City of McLouth, Kansas  
 Non-Budgeted Funds  
 Schedule of Receipts and Expenditures – Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	Capital Improvement	Equipment Reserve
Receipts:		
Miscellaneous	\$ -	\$ 6,200
Transfers	10,000	10,000
	<hr/>	<hr/>
Total Receipts	10,000	16,200
	<hr/>	<hr/>
Expenditures:		
Capital Outlay	108,123	2,200
	<hr/>	<hr/>
Total Expenditures	108,123	2,200
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(98,123)	14,000
Unencumbered Cash, January 1	207,640	12,914
	<hr/>	<hr/>
Unencumbered Cash, December 31	\$ 109,517	\$ 26,914
	<hr/>	<hr/>

City of McLouth, Kansas  
Water Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		Variance Over (Under)
		Actual	Budget	
Receipts:				
Charges for Services	\$ 237,917	\$ 260,019	\$ 226,100	\$ 33,919
Interest on Idle Funds	418	302	350	(48)
Miscellaneous	3,752	3,960	-	3,960
Total Receipts	242,087	264,281	\$ 226,450	\$ 37,831
Expenditures:				
Salaries and Wages	40,136	44,226	\$ 42,100	\$ 2,126
Employee Benefits	11,207	11,996	11,600	396
Debt Service	72,360	72,360	72,360	-
Training, Testing and Fees	3,005	3,047	3,000	47
Operations and Maintenance	26,076	62,804	45,626	17,178
Insurance	3,922	5,275	4,000	1,275
Legal and Contract Services	6,046	8,094	5,000	3,094
Water Purchase	37,480	39,696	45,000	(5,304)
Capital Outlay	-	11,746	33,700	(21,954)
Miscellaneous	2,234	826	2,000	(1,174)
Transfer – Capital Improvements	20,000	-	-	-
Total Expenditures	222,466	260,070	\$ 264,386	\$ (4,316)
Receipts Over (Under) Expenditures	19,621	4,211		
Unencumbered Cash, January 1	84,690	104,311		
Unencumbered Cash, December 31	\$ 104,311	\$ 108,522		

City of McLouth, Kansas  
Sewer Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		Variance Over (Under)
		Actual	Budget	
Receipts:				
Charges for Services	\$ 182,586	\$ 184,220	\$ 194,300	\$ (10,080)
Interest on Idle Funds	-	723	800	(77)
Miscellaneous	4,474	3,750	-	3,750
Total Receipts	187,060	188,693	\$ 195,100	\$ (6,407)
Expenditures:				
Salaries and Wages	19,508	21,816	\$ 17,300	\$ 4,516
Employee Benefits	8,243	8,620	8,300	320
Training, Testing and Fees	764	1,036	1,200	(164)
Operations and Maintenance	22,775	26,546	30,200	(3,654)
Insurance	3,922	5,275	4,200	1,075
Legal and Contract Services	6,665	9,486	5,800	3,686
Capital Outlay	-	-	263,000	(263,000)
Miscellaneous	16,331	167	-	167
Debt Service	105,521	105,521	105,594	(73)
Transfer – Capital Improvements	20,000	-	-	-
Total Expenditures	203,729	178,467	\$ 435,594	\$ (257,127)
Receipts Over (Under) Expenditures	(16,669)	10,226		
Unencumbered Cash, January 1	252,257	235,588		
Unencumbered Cash, December 31	\$ 235,588	\$ 245,814		

City of McLouth, Kansas  
Gas Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 248,176	\$ 194,841	\$ 297,300	\$ (102,459)
Interest on Idle Funds	415	264	400	(136)
Miscellaneous	6,796	7,661	-	7,661
Total Receipts	255,387	202,766	\$ 297,700	\$ (94,934)
Expenditures:				
Salaries and Wages	50,715	55,459	\$ 54,600	\$ 859
Employee Benefits	12,707	13,659	13,500	159
Training, Testing and Fees	1,528	1,617	1,500	117
Operations and Maintenance	32,592	17,022	31,528	(14,506)
Insurance	3,922	5,275	4,000	1,275
Legal and Contract Services	6,209	8,950	5,300	3,650
Gas Purchase	185,084	88,990	190,000	(101,010)
Capital Outlay	62,356	-	160,100	(160,100)
Miscellaneous	2,277	824	1,000	(176)
Transfer – Capital Improvements	20,000	-	20,000	(20,000)
Total Expenditures	377,390	191,796	\$ 481,528	\$ (289,732)
Receipts Over (Under) Expenditures	(122,003)	10,970		
Unencumbered Cash, January 1	260,933	138,930		
Unencumbered Cash, December 31	\$ 138,930	\$ 149,900		